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Subject Review of the Operation and Regulatory Framework of the
Tourism Sector in HKSAR

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To : Team 1
Tourism Commission
Commerce, Industry and Tourism Branch
Commerce and Economic Development Bureau

Please find the subject attachment for your attention.

Julia Wong



HKSAR citizen Review of Tourism Regulations.docx

Review of the Operation and Regulatory Framework of the Tourism Sector in HKSAR

Major Consultation Questions

Regulatory arrangement of travel agents

(1) Does the existing regulatory arrangement for travel agents require any changes? Please elaborate on the reasons.

Yes, reoccurrence of similar incidents reflect the existing regulations is undermined in particular for the Mainland inbound tours.

(2) If changes are required, apart from examining the merits, drawbacks, implications and cost-effectiveness of the reform options, are there factors other than those in paragraph 4.2 that should be considered? If yes, please elaborate.

Yes, other factors including how to maintain the industry stability and sustainability after the reform as a reform does not extinguish all problems and complaints which will be aroused.

Other than the reform, more important is continuous support, co-ordination and co-operation of the authorities and industry participants in HKSAR and the Mainland.

(3) Which of the four options set out in the consultation paper would best cater for Hong Kong's situation and needs? Please explain.

Option 1: Retain the two-tier regulatory regime, reform the TIC and specify its role as a public association (Para. 4.3 - 4.11)

Option 2: Adopt the proposal in Option 1 on reforming the TIC, and transfer certain regulatory functions from the TIC to a government department (Para. 4.12 - 4.19)

Option 3: Establish an independent statutory body to regulate the tourism sector (Para. 4.20 - 4.35)

Option 4: a Government department to take over the regulation from the TIC (Para. 4.36 - 4.48)

Option 1 is my choice.

Option 1 is cost effective, efficient and practical. An independent statutory body is not a must to regulate the tourist industry. Tourism is more of human ethics, cultural deposits, healthy development and industry sustainability.

(4) Do you have any comments regarding the substantive arrangements (such as functions, power, composition, governance and checks-and-balances) of the preferred option?

To address any problems and mismatches of Mainland inbound tours, co-ordination, cultural exchanges and influences on the relevant central authorities in China is inevitable.

Moreover, power to restrict the Mainland inbound tours to be operated by Hong Kong Tourism Board or agents designated by Hong Kong Tourism Board could maintain tour & service quality, and professionalism of tour guides. More important will be having the word of mouth effect among Mainland tourists' experiences and making a good reputation of Hong Kong city.

Regulation of Tourist Guides (Chapter 5)

(5) Do you consider the current Tourist Guide Accreditation System set up by the TIC effective in regulating tourist guides?

Yes, I agree

Assuming the retention of the two-tier regulatory regime (i.e. Option 1 or 2), what are the areas for improvement in order to enhance the effectiveness of the regulation of tourist guides?

The areas for improvements include the followings:-

- Introduce mystery tourists to be appointed or employed by the regulatory body or TIC to evaluate the professionalism, service attitude and standard of the tourist guides randomly.
- Encourage travel agents to collect tours and service surveys or feedback forms from tourists or travelers.
- Perform travel and tour surveys and or provide feedback forms at the airport, ferry terminals and railway terminals.
- Review existing content of local education and learning courses in regard of travel and tourism studies e.g. VTC courses

(6) If the tourism sector is to be regulated by an independent statutory body or the Government (i.e. Option 3 or 4), should a statutory tourist guide licensing system be introduced? If yes, should there be a transition period and how long should the period last?

I have no comment.

(7) Given the problems associated with Mainland inbound tours, should a separate Tourist Guide Pass or Licence be introduced to further regulate the qualification requirements for tourist guides receiving Mainland inbound tours? (Para. 6.3)

No, I disagree

(8) If a separate Tourist Guide Pass or Licence for tourist guides receiving Mainland inbound tours is introduced, what additional requirements should be prescribed for the Pass/Licence?

Would it be unfair to tourist guides receiving Mainland inbound tours if the requirements are more stringent than those for the existing passes?

Instead of introducing a separate licence or pass, I suggest the relevant body to review the contents of the accreditation system. Examinations and tests of knowledge of the tourist guides receiving Mainland inbound tours could have to pass a Putonghua proficiency test, general information of China (people & culture, basic legal aspects, education & background, political system of PRC, and etc).

Licensing System for Travel Agents (Chapter 6)

(9) Do you think different licences (with different requirements) should be introduced to regulate outbound and inbound travel agents?

Yes, different licences should be introduced to regulate outbound and inbound travel agents with different requirements will be a good idea.

(10) Do you think a separate licence for travel agents receiving Mainland inbound tours should be introduced in view of the problems associated with those tours?

Yes, the Mainland inbound tours is developing and immature, separate licensing system is necessary.

(11) If you think a separate licence should be introduced for travel agents receiving Mainland inbound tours, what additional requirements should be prescribed for this licence?

Additional requirements could include the followings:-

- Additional capital requirement or deposit depending on size of different tour operators with a minimum of HKD500,000
- Agents have to provide and distribute detail itineraries with price lists stipulating any service fees and or additional self-pay items that might be involved in any tours
- Introduce Mainland escorts in particular that any groups of Mainland tourists who are illiterate, uneducated and or speaking dialects only
- Agents have to provide different choices of tours for mainland tourists' selection e.g. Shopping, Sightseeing, Food & Cuisine, Night Life, Museum & Local Culture, Attractions Combinations, or Tailor-made private tours, and etc.
- Agents have to follow Rules and regulations on combating cut-throat competitions among industry participants.

Would it be unfair to the travel agents receiving Mainland inbound tours if the requirements are more stringent than those for the existing licence?

No, I think the introduction of a dependant licence for travel agents receiving Mainland inbound tours could balance their risks and opportunities of business focus. Travel agents could continue

other lines of business operations in case of any serious complaints or offence involved in Mainland inbound tours sector.

Financial Arrangement

(12) Regardless of your chosen option, do you agree that the financial arrangement should be based on a “user-pay and cost-recovery” principle? If yes, do you agree that reasonable means to generate additional income should be considered? What means would you consider appropriate? (Para. 4.33)

Yes, I agree.

Most of organizations in HKSAR maintain a self-managed investment portfolio or trust fund to generate income.

Other means could be fund raising from creditors or professional investors by means of bond or note.

Other alternatives could be applying for government funding for any researches and development projects to foster tourism in HKSAR.

(13) If an independent statutory body is to be established, do you consider it reasonable for the Government to provide the body with a one-off grant or loan to support the expenditure at its initial stage of operation? If you consider it unreasonable, what other approach would you suggest? (Para. 4.33)

There is not any breakdown of the annual expenditure figures shown on the consultation document. I have no idea on whether any operating costs and expenses (including rent, utilities, management fees, telecommunication, e-service fees, and etc) which are applicable to the private sector will apply to the government sector as well.

Moreover, cost of operations and expenses is consider being terribly expensive in HKSAR together with the increasing inflation rate, if the Government could not ascertain that the independent statutory body could be financially healthy and balanced in the long run, any fundings at the initial stage should not be proposed.